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January/February 2007

# THE BOARD

## After nine years at the helm, EUB Chairman Neil McCrank is set to retire

*Board Member Brad McManus will be acting chairman until the government finds a permanent replacement*

### Join the EUB in celebration!

Join us to celebrate our new location in Bonnyville's old creamery. First, take a tour of our offices, and then head to the griplex to enjoy a free buffet dinner alongside displays showcasing our state-of-the-art air monitoring unit, equipment used in oil and gas development, rock samples from a kilometre underground, and maps of our community. It's a fun and informative event for the whole family.

When: Monday, March 26, 2007

Where: 3:00 – 4:30 p.m.  
Bonnyville Field Centre  
903 – 51 A Street

Exception: 4:00 – 7:30 p.m.  
Free buffet dinner: 5:30 – 6:30 p.m.  
The Bonnyville Agriplex  
313 – 50 Avenue

Please RSVP by March 12, 2007, to the Bonnyville Field Centre at 826-5352 or e-mail [Bonnyville.FieldCentre@eub.ca](mailto:Bonnyville.FieldCentre@eub.ca).

### About the EUB

Our mission is to ensure that the discovery, development, and delivery of Alberta's energy resources and utilities services take place in a manner that is fair, responsible, and in the public interest. We regulate oil, natural gas, oil sands, coal, and electric energy, pipelines, and transmission line development.

On the utilities side, we regulate investor-owned and certain municipally owned natural gas, electric, and water utilities to ensure that customers receive safe and reliable service at just and reasonable rates. Regulation is done through two core functions: adjudication and regulation, information and knowledge.



**E**UB Chairman Neil McCrank will retire on March 31, 2007, after nearly nine years with the EUB and a total of 34 years of public service in Alberta and Ontario.

Board Member Brad McManus will be acting chairman until the government finds a permanent replacement.

"I am most proud of how the EUB has become more open to the public we serve," McCrank said. "The EUB has played a significant role in increasing the public's awareness of energy and utility issues. Albertans are more engaged and better informed than they have ever been."

McCrack said the decision to retire was made together with his family, and one he said was not entered into lightly.

"I have great respect and admiration for the staff and Board members I have served with at the EUB," McCrank added. "We are widely regarded as a world-class regulator, and our people are the reason why."

McCrack received accolades from Alberta Energy Minister Mel Knight upon hearing about the departure.

"I have great respect and admiration for the staff and Board members I have served with at the EUB. We are widely regarded as a world-class regulator, and our people are the reason why."

"I would like to thank Neil for his service to Albertans as Chairman of the Board during this period of unprecedented growth in our energy sector," said Knight. "His leadership of the EUB will certainly be missed, and on behalf of my colleagues in government, I wish him all the best in his retirement."

McCrack has had a storied career. He was appointed chairman of the EUB in July 1998.

*(continued on page 3)*

## Recent EUB publications

### News Releases

**February 21:** News Release (NR 2007-06): EUB Chairman Neil McCrank announces retirement

**February 1:** News Release (NR 2007-05): Alberta Geological Survey Releases Coalbed Methane Water Study

**January 18:** News Release (NR 2007-04): EUB adjourns AltaLink transmission line hearing until March 2007

**January 16:** News Release (NR 2007-03): EUB investigating odour complaints near Drayton Valley

### Bulletins

**February 20:** Bulletin 2007-03: Revisions to Directive 019: EUB Compliance Assurance-Enforcement

**February 16:** Bulletin 2007-04: Revised Directive 038: Noise Control Issued

**January 26:** Bulletin 2007-02: Revisions and Additions to Directive 065: Resources Applications for Conventional Oil and Gas Reservoirs

**January 23:** Bulletin 2007-01: 2007 Orphan Levy

### Publications

**February 20:** Directive 019: EUB Compliance Assurance-Enforcement

**February 16:** Directive 038: Noise Control

**January 26:** Directive 065: Resources Applications for Conventional Oil and Gas Reservoirs

### Decisions

**February 20:** Decision 2007-015: Cork Exploration Inc. Section 39 Review Request of Well Licence No. 0359415, Milestone Field

**February 16:** Decision 2007-012: AltaLink Management Ltd. / TransAlta Utilities Corporation 2007/2008 TFO Tariff Application - AltaLink Management Ltd. Settlement of Self Insurance Reserve Account

**February 14:** Decision 2007-010: TransAlta Energy Corporation Keephills Unit 3 Power Plant Expansion Investigation Meeting

**February 9:** Decision 2007-011: Highpine Energy Ltd. and Highpine Oil and Gas Limited Applications for Two Well Licences, Pembina Field

**February 6:** Decision 2007-009: Canadian Natural Resources Limited Applications for a Well Licence and Pipeline Licence, Bashaw Field

**February 6:** Decision 2007-008: Arr Resources Ltd. Application to Change a Zone Designation, Gilby Field

**February 5:** Decision 2007-005: ATCO Gas South - Carbon Facilities - Part 1 Module - Jurisdiction (2005/2006 Carbon Storage Plan)

**January 30:** Decision 2007-007: ATCO Pipelines 2006 Other Pipeline Delivery Deferral Accounts

**January 30:** Decision 2007-006: ATCO Utilities 2005-2007 Common Matters Compliance Filing

**January 23:** Decision 2007-004: Gladius Energy Inc. Applications for a Well Licence and a Pipeline Licence, Strachan Field

**January 23:** Decision 2007-003: Husky Oil Operations Limited Application to Amend Facility Licence No. 32659 Elnora Field

**January 9:** Decision 2007-002: Compton Petroleum Corporation Applications for Well Licences Crossfield Field

**January 9:** Decision 2007-001: Quicksilver Canada Resources Inc. and NOVA Gas Transmission Ltd. Application for a Pipeline Licence and Meter Station Licence, Joffre Field

## AGS releases water chemistry study

The Alberta Geological Survey (AGS) group of the EUB has issued a comprehensive study that examines the natural water chemistry from both domestic water wells and coalbed methane (CBM) wells.

The AGS collected and examined water samples from 20 water and CBM wells in a 38 300 square kilometre area of central Alberta that included four major water drainage basins, those being of the Athabasca, North Saskatchewan, Battle, and Red Deer rivers.

Using age dating as well as biological and chemical analyses of water samples, the AGS study, entitled Water Chemistry of Coalbed Methane Reservoirs, has found that water from CBM wells and domestic water wells have separate and distinct chemical compositions.

The study also indicates that bacteria in water wells could be generating naturally occurring methane in varying amounts,

depending on the location and condition of the well. The study concluded that although these naturally occurring bacteria do not thrive in aquifers, they thrive and multiply in water wells where the pumping action of the well provides them with an enhanced level of nutrients.

Water samples were collected from existing domestic water wells and existing CBM wells and age dated according to established scientific methods.

Sampling and testing of water was completed according to protocols compiled by the AGS and based on those developed by the Geological Survey of Canada, the University of Calgary, the University of Alberta, the University of Saskatchewan, and the United States Geological Survey.

Water samples were tested at the University of Toronto, Purdue University, and independent labs within Canada and the United States.

The two-year study was partially funded by the Alberta Energy Research Institute. It will add to the existing knowledge base about CBM development in Alberta.

The study can be found on the AGS Web site at <http://www.agi.gov.ab.ca>.

The AGS provides geoscience information and expertise to government, industry, and the public to support the exploration, development, and conservation of resources for all Albertans.

## After nine years at the helm, EUB Chairman Neil McCrank is set to retire

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After coming to Alberta in 1979 to work with the Alberta Attorney General, he served as a special prosecutor, assistant deputy minister for the Criminal Justice Division, deputy attorney general, and deputy minister for the Alberta Department of Justice, until his appointment to the EUB.

Prior to his public service career in Alberta, Mr. McCrank worked with the Province of Ontario and spent several years with a private law firm in Toronto.

The government will undertake a comprehensive executive search to select a new chairman. Information about recruitment to this position will be posted at [www.pao.gov.ab.ca/jobs](http://www.pao.gov.ab.ca/jobs).

After March 31, EUB Board Member Brad McManus will take on the role of acting chairman until McCrank's replacement has been appointed.

McManus is well qualified for the task at hand. Prior to his current position, he was a member of the Public Utilities Board of Alberta (PUB) for five years. During this period, as in his current position, he has been a member of numerous Board panels responsible for setting just and reasonable rates for Alberta's electric and natural gas utilities.

Since February 1995, McManus has also sat on a full range of energy-related hearings. Most recently, he has chaired a number of major hearings related to natural gas utilities and restructuring in the retail natural gas marketplace. As a member of the Alberta Land Compensation Board, he has also dealt with issues related to land expropriation.

McManus was a partner in a major national law firm and practised corporate and commercial law in Calgary for twelve years before joining the PUB.

# EUB's Land Challenge receives positive reviews

*Energy companies and residents alike are upbeat about a pair of central Alberta pilot projects that address coalbed methane development*

The EUB's Land Challenge initiative, designed to address issues on the locating of energy developments, has garnered positive feedback from both the public and industry following a pair of recent pilot projects.

From November 2006 to February 2007, pilot projects that focused on the orderly development of unconventional gas were undertaken in two townships, one near Innisfail—known as the Aberdeen Land Pilot—and the other east of Carstairs. The townships were selected because of their geological potential for coalbed methane (CBM) and industry's anticipation that it will soon begin to apply to develop multiwell programs in these areas.

The Land Challenge initiative aims to foster a better exchange of information between parties, initiate coordinated development among companies, address stakeholder concerns and potential mitigating strategies to minimize the potential effects of projects, and enhance the efficiency and effectiveness of the EUB's application process.

"The vast majority of residents gave positive feedback on the process, and industry was also very positive about the results," said Tristan Goodman, EUB Projects Leader. "It proved to be a worthwhile process."

Initial stakeholder meetings were convened in both pilot areas in November. Multistakeholder committees were then formed, which included representatives from the EUB, the participating counties (Mountainview and Red Deer), industry, and a broad selection of area residents. The two committees worked

to produce numerous solutions and recommendations, which were then presented to all stakeholders at meetings held in late January and early February.

Goodman noted that the success of the pilots is rooted in the fact that they addressed local issues and generated local solutions.

In the Aberdeen Land Pilot area, for example, the EUB's Red Deer Field Centre committed to implement a program to audit the integrity of cement in CBM wells to ensure that the methane remains contained in the coal formations. In addition, the committee published a landowner guide, which consolidates many of the residents' legal rights in a single document.

In the Carstairs project area, meanwhile, industry agreed to employ project-based road-use planning methods to minimize the effects of infrastructure siting.

"We believe that the pilot projects have gone a long way to address the concerns about CBM development in these areas," Goodman said.

Looking ahead, the EUB will seek input from participants to evaluate how the Land Challenge initiative can be enhanced in the pilot areas. In addition, the EUB will monitor applications in these areas to determine if they draw fewer objections than usual.

The EUB also will consider the possibility of expanding the initiative to other areas of the province.



## Upcoming Public Hearings

Application No.	Applicant	Hearing Purpose
1450550	Rockyview Energy Inc	Application for a well
Start date: May 10, The Best Western Denham Inn & Suites, 5207 50th Avenue, Leduc AB		
1460731	EUB Proceeding	Notice of Intention to issue a declaration naming David N. Matheson and Ronald P. Bourgeois under Section 106 of the OGCA
Start date: March 1, 5 Calgary Downtown Suites, 618 5th Avenue SW, Calgary, AB		
Proceeding 1482011 EnCana Corporation		
Section 39 Review Request by Blaine Johnson on behalf of C.O. Johnson & Sons Ranches, on EnCana Corporation Application Nos. 1255723 and 1256723 - Anderson Field		
Start date: March 9, Heritage Inn, 1239-2nd Street West, Brooks, AB		
1478550	AltaLink Management Ltd.	500 kV Transmission System Reinforcement Edmonton -
1479163	EPCOR Transmission Ltd.	Calgary Area
Start date: March 12, The Marquis Room, Harvest Center, Westerner Park, 4847A – 19th Street, Red Deer, AB		
1488165	Compton Petroleum Ltd.	Review and Variance Request by Gordon Hagg on Compton Petroleum Corporation Application No. 1458636 (Sweet pipeline)
Start date: March 21, Champion Community Hall, 132 – 2 Street, Champion, AB		
1459453	West Energy Ltd.	Application for licences to drill two crude oil wells targeting Nisku Formation - Pembina Field
Start date: March 26, Lakeview Inns and Suites, 4305 – 50 Street, Drayton Valley, AB		
1464138	Rockyview Energy Inc.	Application for a licence to drill a vertical well (B140) - Bittern Lake Field
Start date: April 24, Norsemen Inn, 6505 48th Avenue, Camrose, AB		
1485517	Alberta Electric System Operator	2007 General Tariff Application
Start date: April 10, EUB, Office Calgary, Govier Hall, 640 - 5 Avenue SW, Calgary, AB		

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### For Alberta Geological Survey (AGS) documents on geological research, contact

Information Sales  
4th Floor, Twin Atria, 4999-98th Avenue  
Edmonton, Alberta T6B 2X3  
Telephone: (780) 422-1927\* Fax: (780) 422-1918  
E-mail: <EUB.AGS-InfoSales@gov.ab.ca>  
Web: <www.agi.gov.ab.ca>

### Questions, complaints, problems?

**Utilities:** For information or to file a consumer utility complaint, contact us at

EUB Utilities Branch, 10th floor, 10055-106 Street,  
Edmonton, Alberta T5J 2Y2  
Fax: (780) 427-6970  
Complaints: (780) 427-4903\*  
E-mail: <utilities.concerns@eub.gov.ab.ca>

**Oil and gas:** For information or complaints about new or existing oil and gas developments and facilities, we recommend contacting the operating company first. If the company does not respond appropriately, you may contact the nearest EUB Field Centre.

### EUB Field Centres (24-hour service)

Bonnyville	(780) 826-5352*
Drayton Valley	(780) 542-5182*
Grande Prairie	(780) 538-5138*
Fort McMurray	(780) 743-7214*
High Level	(780) 926-5399*
Medicine Hat	(403) 527-3385*
Midnapore	(403) 297-8303*
Red Deer	(403) 340-5454*
St. Albert	(780) 460-3800*
Wainwright	(780) 842-7570*

\*To call toll free from anywhere in Alberta, dial 310-0000 and enter the phone number, including area code, or press zero for a RITE operator.

### Across the Board Advisory Committee

Bob Curran, Renee Marx, Cal Hill, Pat Smith, Wade Vienneau, Davis Sheremata, Paul Ferensowicz

**Editor:** John Ludwick

## Pending Decisions

Application No.	Applicant	Hearing Purpose
1453533	Bearspaw Petroleum Ltd.	Application for two pipelines - Crossfield Field
1457147	EnCana Corporation, Luscar Energy Ltd.	Proceeding for Phase 2 Review and Variance of 26 applications (Fairborne Energy, Bearspaw Petroleum Ltd., Devon Canada Corporation); Ownership of Gas in Coals (Clive, Ewing Lake, Stettler, and Wimborne Fields)
1468565	Board Initiated Proceeding	Uniform System of Accounts / Minimum Filing Requirements for Alberta Electric Utilities
1460995	Enmax Power Corporation (EPC)	2006-2007 Distribution Tariff Phase II Application

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